

Page Denied

Directorate of
Intelligence

Secret

25X1

MASTER FILE COPY

DO NOT GIVE OUT
OR MARK ON

Kuwait's National Security Policy: The Iran-Iraq War and Beyond

25X1

An Intelligence Assessment

PROJECT NUMBER	NESA 1170 88
① W M J K	N
PAGE NUMBERS	21
TOTAL NUMBER OF COPIES	530
DISSEM DATE	880425
EXTRA COPIES	414-438
RECORD CENTER	439-488
JOB NUMBER	425-613-88

Secret

NESA 88-10021
April 1988

Copy 413

Page Denied



**Directorate of
Intelligence**

Secret

25X1

Kuwait's National Security Policy: The Iran-Iraq War and Beyond

25X1

An Intelligence Assessment

This paper was prepared by [redacted]
[redacted] Office of Near Eastern and
South Asian Analysis, with a contribution by [redacted]
[redacted] Office of Leadership Analysis. It was
coordinated with the Directorate of Operations. [redacted]

25X1
25X1
25X1
25X1
25X1

Comments and queries are welcome and may be
directed to the Chief, Persian Gulf Division, NESA,
[redacted]

25X1

Reverse Blank

Secret

*NESA 88-10021
April 1988*

Secret

25X1

**Kuwait's National Security Policy:
The Iran-Iraq War and Beyond**

25X1

Key Judgments

*Information available
as of 1 April 1988
was used in this report.*

A small, virtually defenseless city-state surrounded by larger and often hostile countries, Kuwait uses a combination of diplomacy, money, and political accommodation to protect its territorial integrity and oil wealth. Kuwait's defense strategy is to avoid conflict, remain on good terms with its neighbors, and rely on help from both superpowers, the Gulf Cooperation Council (GCC), and other Arab states for protection.

25X1

For the short term, Kuwait's national security policy is increasingly based on deflecting Iranian aggression—its most immediate threat. The Iran-Iraq war is producing increasing apprehension in Kuwait, and Kuwaiti leaders can no longer dismiss the possibility of direct Iranian attacks. To bolster the country's defenses against Iranian aggression, Kuwait has altered its traditional national security policy to include:

- Closer cooperation with the superpowers, particularly the United States.
- Stronger ties to the GCC and other Arab states.
- A more active military posture.
- Financial and logistic support for Iraq.

25X1

Kuwait's traditional security concerns—Iraqi irredentism, Saudi hegemony, and Palestinian nationalism—have been overshadowed by the Iran-Iraq war. Should the threat of Iranian aggression recede, these issues probably will return to a more prominent place in Kuwait's national security concerns, resulting in a more nonaligned foreign policy.

25X1

Kuwaiti leaders have no illusions about their potential effectiveness against external threats. If faced with a direct military threat, Kuwait will try to defend itself while seeking military assistance from its regional allies and the United States. Despite a more active military posture and plans for sizable arms purchases, Kuwait's military will remain small and weak.

25X1

Kuwait's decision to seek US protection for its oil tankers marked a major shift in its foreign policy. As long as the Iranian threat remains high, Kuwaiti cooperation with the United States will continue and, if tensions rise, probably expand. Despite growing understanding and cooperation, Kuwait will probably avoid a long-term, close public alignment with US policies in the region.

25X1

Secret

NESA 88-10021
April 1988

Secret

25X1

A significant reduction in tension with Iran would probably cool the security relationship with the United States, although not to the low level of the early 1980s. Kuwait's deep historical and political commitment to nonalignment and to Palestinian self-determination—issues currently played down by Kuwaiti leaders—will probably eventually reappear as irritants in US-Kuwaiti relations.

25X1

Kuwait has sought ways to garner greater Soviet support to demonstrate balance in its relations with the superpowers. Although the Kuwaitis are suspicious of Soviet long-term intentions in the region, they believe that Moscow is too dangerous to be ignored and can be helpful in promoting Kuwait's security and political interests.

25X1

Kuwait's financial and logistic support for Iraq in its war with Iran is perceived as fundamental to Kuwait's security. Sustained Iranian terrorist or military attacks could compel Kuwaiti leaders to minimize their support for Iraq, but Kuwait would not abandon Baghdad.

25X1

Secret

Secret

25X1

Contents

	<i>Page</i>
Key Judgments	iii
The Iran-Iraq War: A Primary Concern	1
Traditional National Security Concerns	1
Iraqi Irredentism	2
Saudi Hegemony	2
The Palestinian Issue	2
Strategies	3
Strengthening Relationships	4
Checkbook Diplomacy	4
Dialogue With Tehran	5
Military Moves From Reaction to Deterrence	6
Meager Capabilities	6
Future Arms Purchases	10
Prospects	10
Implications for the United States	11

25X1

Secret

Page Denied

Secret

25X1

Kuwait's National Security Policy: The Iran-Iraq War and Beyond

25X1

Kuwait's national security policy reflects the country's weakness and susceptibility to manipulation by external forces. Kuwait's basic defense strategy has been to avoid conflict, keep on good terms with its neighbors, and rely on the collective capabilities of the superpowers, the Gulf Cooperation Council (GCC), and other Arab states for protection. Kuwait's power is derived from a shrewd combination of diplomacy, financial assistance, and accommodation.

The Iran-Iraq War: A Primary Concern

In our judgment, the most pressing security threat confronting Kuwait is the Iran-Iraq war, now in its eighth year. Kuwait's other regional security concerns pale in comparison with the threat of increasing Iranian aggression. The war has produced deep apprehension in the country, and Kuwait must deal with the possibility of direct Iranian attack. To bolster the country's defenses against Iranian aggression, Kuwait has adjusted its national security policy to include closer cooperation with the superpowers, particularly the United States, stronger ties to the GCC and other Arab states, and a more aggressive military posture.

The Iran-Iraq war has placed the Kuwaitis under strong, conflicting pressures. The Kuwaitis have little interest in seeing either side emerge victorious and hope that the war will leave both weak and exhausted. Not surprisingly, they have sought to accommodate both Iran and Iraq—traditionally Kuwait's most hostile neighbors—while giving substantial assistance to Iraq. Under intense Iraqi pressure, Kuwait has provided Baghdad over \$10 billion in financial aid since the start of the war and has allowed significant amounts of military as well as civilian goods bound for Iraq to transit Kuwaiti ports.

Iranian hostility toward Kuwait represents the most serious threat to the country since independence. As one of Iraq's major financial and logistic backers, Kuwait has been singled out as a primary target of Iranian antagonism since early in the war. Iranian actions against Kuwait over the past several years have included:

- Directing the preponderance of its attacks in the Gulf against commercial vessels serving Kuwaiti ports, hitting between 70 and 80 tankers involved in trade with Kuwait since 1984.
- Sponsoring numerous terrorist attacks by local Shia supporters intended to destabilize the Kuwaiti Government. Kuwaiti officials believe Iranian-backed terrorists were responsible for the bombings of the US and French Embassies in 1983, the car-bomb attack on the Amir's motorcade in 1985, and a series of explosions at oil facilities and commercial offices in 1987.
- Launching 10 Silkworm missile attacks in 1987 against Kuwaiti territory, oil facilities, and tankers.

So far, Iran's attacks on Kuwaiti tankers have not significantly disrupted Kuwait's ability to export oil, in our judgment. Moreover, Kuwait could draw on the country's foreign assets, estimated at about \$80 billion at the end of 1987, or on investment income, estimated at \$6.8 billion annually, to make up for a temporary reduction in oil revenues. A greater risk to Kuwait would arise if the country's seaborne import trade were cut off. more than 85 percent of Kuwait's food needs and nearly all of its consumer goods, spare parts, and machinery to run its oil industry and critical desalination plants are imported through its two Gulf ports—Ash Shuwaykh and Ash Shu'aybah. A blockade is unlikely, because Iran would have to use most of its naval and air power and would be risking a confrontation with Western forces.

Traditional National Security Concerns

Traditionally, Kuwait has faced regional challenges from Iraq and Saudi Arabia and internal threats from

Secret

expatriate Palestinians. Apart from Iran, Kuwait fears most the possibility of military conflict with Iraq over longstanding territorial disputes. Saudi Arabia is seen as a competitor for regional influence. The Palestinians, on the other hand, are primarily an internal threat, and Kuwait fears that radical elements might try to destabilize the regime. If the threat of Iranian aggression recedes, we believe these issues will return to the forefront of Kuwait's national security concerns. []

Iraqi Irredentism. Iraq's territorial claims on Kuwait were a frequent source of tension before the Iran-Iraq war.² Before the conflict, Iraq had only a narrow—80 kilometers—Gulf coastline, and the wartime closing of Al Basrah, the Iranian seizure of Al Faw, and Iran's blockade have cut off that limited access. These developments have increased the strategic importance of the Kuwaiti islands of Bubiyan and Warbah, which have long been claimed by Iraq. Because of Kuwait's support for Iraq in its war with Iran, Baghdad has temporarily shelved its territorial claims against Kuwait, and consultations between the two countries occur with regularity. []

There are several unresolved issues that could lead Baghdad to revert to its prewar bullying of Kuwait:

- Baghdad has shunned efforts to settle its border dispute despite Kuwait's generous wartime assistance.
- Baghdad has refused to cede the small strip of Kuwaiti territory that it annexed in 1973, largely because the land adjoins Iraq's naval base at Umm Qasr.
- In the past, Iraq has asserted that it needs Bubiyan and Warbah to protect the naval base and its Gulf oil lanes in the event of another war, according to US Embassy reporting. []

Saudi Hegemony. Kuwait sees itself as an alternative Gulf leader to Saudi Arabia and has remained relatively independent of Saudi policy over the years. The Kuwaitis believe their experience in and knowledge of foreign and economic affairs make them a logical

² The dispute is based on Iraq's claim that Kuwait was an integral part of the territory administered by Baghdad under the Ottoman Empire. The Iraqis acknowledged Kuwait's sovereignty in 1963 but still lay claim to tracts of Kuwaiti territory. []

leader among the Gulf monarchies. [] they resent—and frequently challenge—Saudi dominance in the GCC.³ For example, Kuwait did not support Saudi efforts to persuade the GCC to call for a break in relations with Iran in August 1987 in reaction to Iranian-led riots during the annual pilgrimage to the holy cities of Mecca and Medina. []

Moreover, Kuwaiti leaders have at times pursued radically different policies from Riyadh. Kuwait normally has insisted on a nonaligned foreign policy and decided in 1963 to establish diplomatic relations with the Soviet Union in return for Moscow's agreement to lift its veto of Kuwait's application for membership in the United Nations. Until the US plan to reflag Kuwaiti tankers was put into effect, Kuwait strongly criticized the close security ties between Riyadh and Washington. []

Kuwait and Saudi Arabia, nonetheless, hold similar views on several regional issues:

- Kuwaiti leaders acknowledge that Saudi Arabia must play a key regional role in protecting the Gulf, and we believe they keep Riyadh informed on key decisions that affect regional security.
- Kuwait joins forces with the Saudis on political issues demanding a moderate Arab consensus, international economic issues, and defense against Iranian expansionism.
- Kuwait shares Riyadh's view on the need to contain the growth of radical and foreign influences in the region. []

The Palestinian Issue. The Kuwaitis regard the country's expatriate Palestinian community as an important internal security threat with external ramifications. Palestinians are the largest alien group in

³ The Gulf Cooperation Council was created in May 1981 by Saudi Arabia, Kuwait, the United Arab Emirates, Bahrain, Qatar, and Oman. The impetus for its formation was the Iran-Iraq war, which was eight months old when the Council was formed. The war gave the Gulf states the opportunity to increase formal cooperation without including either Iraq or Iran—traditional rivals for dominance in the Gulf. []

25X1
25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

Secret

Kuwait and are generally estimated at 350,000 or about 20 percent of Kuwait's population. Many Palestinians have lived in Kuwait for 20 years or more and form a cohesive, dynamic community that contributes significantly to the economic well-being of the country. We estimate they make up nearly 40 percent of the work force and 20 percent of all civil servants (approximately 25,000 employees). Palestinians are particularly prominent in local business, teaching, medicine, and the media, according to the US Embassy in Kuwait. They also serve as advisers to the Amir and the ruling family, particularly on investment matters, and hold important positions in the Defense and Interior Ministries such as recently retired Chief of Staff Gen. Hanna Shuhaiber. [REDACTED]

Kuwait provides diplomatic and financial support to the Palestinian cause:

- In international forums and the press, Kuwait provides strong diplomatic support to Palestine Liberation Organization (PLO) chief Arafat and his position in the Arab-Israeli peace process, reiterating the need for PLO participation in an international peace conference.
- Kuwait has been an important source of financial assistance for the Palestinians. The government turns over about 3.5 percent of its Palestinian employees' salaries to the PLO's Palestine National Fund, and private Kuwaiti citizens have contributed about \$1.2 million this year, according to the US Embassy. Kuwait's persistent economic slump, however, has caused a decline in the government's contributions from \$63 million in 1979 to \$22 million so far this year, [REDACTED]

Kuwait and the various Palestinian organizations have reached an understanding over the years. In return for support, Kuwait expects the PLO to behave inside Kuwait and to help authorities police the Palestinian community. The local security authorities do not tolerate political activism in the Palestinian community. For example, the US Embassy reports that in February the Kuwaitis arrested about 80 Palestinians who were demonstrating in support of the riots in the West Bank and Gaza and summoned PLO

leader Arafat to obtain assurances that there would be no further disturbances from the Palestinians. [REDACTED]

Nonetheless, Kuwaiti concerns for the country's internal security have been heightened by the PLO's collapse in Lebanon in 1982 and Palestinian involvement in the bombings of two popular seaside cafes in July 1985. The US Embassy reports that, to curb the growth and activity of the Palestinian community, the government has:

- Virtually suspended Palestinian immigration since the late 1970s, imposing strict limits on visas.
- Cracked down on illegal aliens, threatening stiff jail sentences, financial penalties, and deportation.
- Refused to renew work permits and denied residence permits to offspring of Palestinians living in Kuwait.
- Closed offices of the radical Popular Front for the Liberation of Palestine and Democratic Front for the Liberation of Palestine, forcing them to operate as part of the officially sanctioned Fatah office.
- Banned an armed Palestinian presence in the country. [REDACTED]

According to the US Embassy, the government's nightmare is that radical Palestinian elements will join with other potential antigovernment activists, such as pro-Iranian Shias, to threaten the regime. Palestinians have grievances that are exploitable, according to US Embassy reporting. They know that, with few exceptions, they will always be mistrusted as foreigners and potential troublemakers who do not share the Gulf Arabs' concerns or faith in the traditional family alliances by which the Gulf governments are run. The Palestinians resent the restraints on their opportunities and benefits but are reluctant to jeopardize the understanding that provides them a haven in exchange for guarantees of noninterference in their hosts' internal affairs. [REDACTED]

Strategies

Through shrewd diplomatic maneuvering and almost \$1 billion in foreign aid, Kuwaiti leaders have strengthened alliances with the superpowers and key

25X1

25X1

25X1

25X1

25X1

25X1

Secret

regional states and bolstered the country's defenses against Iran. Moreover, Kuwaiti leaders are beginning to change the country's image. They have toned down their criticism of US policies, broadened their foreign policy beyond a strict Third World orientation, and demonstrated a willingness to participate in serious joint security planning with their allies. At the same time, Kuwait has looked for ways to ease tension with Iran by leaving channels of communication open and limiting actions that Tehran may view as provocative. []

Strengthening Relationships. Historically, Kuwait has tried to maintain good relations with both superpowers while limiting their presence in the region. Iran's increased attacks on Kuwaiti shipping, however, which began in earnest in mid-1986, prompted Kuwait to seek superpower protection for its oil tanker fleet. By placing 11 ships under the US flag and chartering three Soviet oil tankers, Kuwait hoped to deter Iranian attacks and ensure safe passage for Kuwaiti oil. []

Kuwait's decision to seek US protection for its oil tankers marked a major shift in its foreign policy, effectively ending opposition to a prominent US security role in the Persian Gulf. Kuwait's support for the escort plan also has forced it to accept an unprecedented level of operational cooperation with Washington. Moreover, the increased possibility of further Iranian attacks has caused the Kuwaitis to view as desirable a long-term US presence nearby. According to the US Embassy, Kuwaiti leaders have made clear their desire to expand the budding US-Kuwaiti security relationship. []

Despite Kuwait's tilt toward the United States, Kuwait has sought ways to garner Soviet support as well. []

[] some Kuwaiti leaders have insisted that Moscow participate in protecting Kuwaiti oil. Some key decisionmakers, []

[] have spent much of their careers promoting the policy of balance and can be expected to cling to it tenaciously. These advocates apparently calculate that a Soviet presence in the region can provide useful leverage over US policy. Some Kuwaiti officials probably believe they received greater US protection under the tanker reflagging plan by playing a shrewd diplomatic game of threatening to turn to the Soviets if Washington refused to help. []

Although the ruling Al Sabah family is suspicious of Soviet long-term intentions in the region, it believes that Moscow is too powerful to be ignored and can help promote Kuwait's security and political interests in the region. Kuwait has also used its good relations with Moscow to encourage Soviet cooperation in UN peace efforts in the Gulf, and it hopes to use Moscow's contacts with Tehran as another channel to ease tension with Iran, according to the US Embassy. Moreover, the Kuwaitis probably hope that they can have some influence on Soviet policy in the region, particularly in Afghanistan. []

25X1

25X1

Once a reluctant participant in Gulf Cooperation Council security cooperation, Kuwait increasingly looks to the GCC as its long-term first line of defense. According to US Embassy reporting, Kuwait has taken an active role in generating GCC support for Kuwait's tough policies toward Iran. In our view, Kuwait expects the Council to help deter Iranian aggression and, in the long term, to check the alleged hegemonic intentions of Saudi Arabia. Of major importance to Kuwait has been the GCC's willingness to reaffirm that an attack on one member is an attack on all, giving tacit approval to using its Peninsula Shield Force for Kuwait's defense if necessary. Aware of Iran's efforts to weaken the GCC by developing closer ties to Oman and the United Arab Emirates, Kuwait is careful to build consensus on regional issues and minimize GCC differences over policies toward Iran. []

25X1

25X1

The Kuwaitis have also improved their ties to Saudi Arabia. Kuwaiti leaders have portrayed Iranian aggression against Saudi interests as a mutual concern and have argued that an Iranian attack on Kuwait should be viewed by Riyadh as an attack on Saudi Arabia. []

25X1

25X1

25X1

both countries have engaged in an unprecedented level of military cooperation to defend against Iranian attacks on their shipping and offshore oil facilities and mining of their territorial waters. In the diplomatic arena, Riyadh and Kuwait have worked closely together in the Arab League and the GCC to build a more unified Arab position against Iran. []

25X1

25X1

25X1

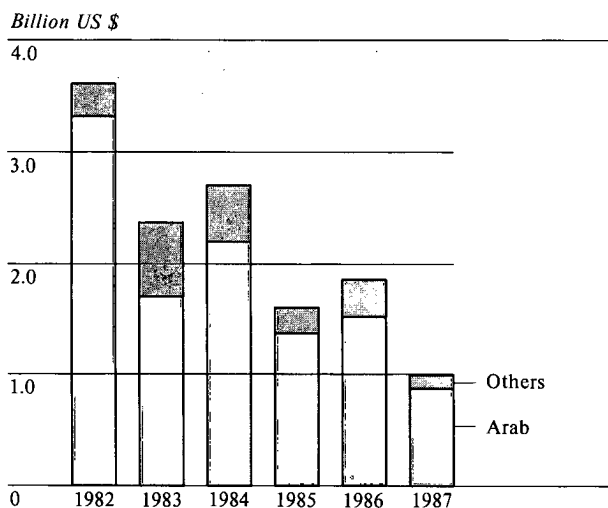
25X1

Checkbook Diplomacy. In our view, Kuwaiti leaders believe generous financial assistance is one of their most effective diplomatic tools to encourage allies and

25X1

Secret

Figure 2
Kuwait: Total Aid Distribution, 1982-87



316750 4-88

conciliate enemies. Last year about 12 percent of Kuwait's oil revenues was distributed to regional powers, regardless of their politics, to build up political credits for times of crisis.

bilateral and other aid disbursements totaled nearly \$1 billion or about 4 percent of gross domestic product last year. Political gains have been modest but significant, even though the effectiveness of checkbook diplomacy has been reduced by the current oil glut, which lowered Kuwaiti oil revenues from \$13.6 billion in 1981 to \$8 billion last year.

We believe Kuwait has attempted to use aid to:

- Mollify countries, especially Iraq and Syria, that pose potential threats to its security.
- Bolster its reputation in the Arab League and enhance internal security by supporting the Palestinian cause.
- Mold a moderate Arab consensus by supporting other conservative Arab states, particularly Egypt, Jordan, and Morocco.

- Enhance its international prestige and influence less developed countries to be more responsive to Gulf Arab concerns in regional and international forums.

Kuwait's aid to Iraq is primarily motivated by fear that an Iranian victory will spread the Islamic revolution to its shores. According to US Embassy reporting, Kuwait is also concerned about the possibility of Iraqi reprisals and terrorist attacks if it halts such aid. Kuwait's offer to help pay for war damages as part of a negotiated settlement of the Iran-Iraq war is almost certainly designed to enhance Kuwait's security against both Iranian and Iraqi expansionism in the postwar environment.

More recently, Kuwait has overlooked Egypt's peace treaty with Israel and has parlayed Egypt's need for financial assistance into additional security commitments. In exchange for Kuwait's restoration of formal diplomatic ties and promises of over \$300 million in economic assistance, Cairo has pledged additional military advisers and undefined security assistance to Kuwait in the event of direct Iranian attacks, according to US Embassy reporting.

Kuwait also has used its financial leverage to extract concessions from Syria on regional issues critical to Kuwaiti security. After the Arab League summit meeting last year, Kuwait agreed to continue to provide economic assistance to Syria in return for Syrian cooperation on ending the Iran-Iraq war, efforts to improve relations with Iraq, and restraint in condemning Arab reconciliation with Egypt, according to US Embassy reporting. Kuwaiti officials have made clear to the Syrians that further financial assistance depends on their political acquiescence.

Dialogue With Tehran. Kuwait recognizes that Iran is a major regional power that will have considerable political, economic, and military influence regardless of the war's outcome. Nonetheless, Kuwaiti leaders pride themselves on their tough stand against Iranian aggression and have demonstrated no signs of caving in to Tehran's demands that they end their support for Iraq and the US tanker reflagging operation.

Kuwaiti leaders believe a dialogue is essential to mitigate Iran's hostility, gauge Iranian intentions in the war, and discuss OPEC oil policy. The Kuwaiti Government has kept diplomatic channels open despite the seizure of its Embassy in Tehran last August, according to US Embassy reporting. Kuwait also has endorsed a GCC initiative to begin talks with Tehran to ease tension in the region. We believe Kuwaiti leaders have calculated that the threat of breaking relations can help moderate—at least temporarily—Iranian hostility. [REDACTED]

Despite Tehran's hostile rhetoric, Kuwait has kept its public anti-Iranian allegations to a minimum while strengthening security against Iranian-sponsored terrorism. Faced with the possibility of increased Iranian-sponsored subversive activities, Kuwait has little choice but to continue tough security measures, including deporting Iranian workers and removing Kuwaiti Shias from sensitive jobs in the oilfields, the military, and government institutions. Kuwaiti leaders realize that the government's tough response to Iranian-sponsored terrorism has increased sectarian tension, and they have not publicly highlighted Iran's complicity for fear of sparking further sectarian violence. [REDACTED]

Kuwait's mercantile tradition also restrains the country's leaders from undertaking actions that might damage long-term commercial relations with Iran. Kuwait's merchant elite, many of whom are Shias of Iranian origin and an important source of support for the ruling family, trade with Iran, and their support could wane if their financial ambitions are frustrated by an Iranian-Kuwaiti confrontation. Kuwaiti leaders hope to keep relations healthy enough to benefit economically from postwar reconstruction efforts in Iran. [REDACTED]

Military Moves From Reaction to Deterrence

Kuwait's defense policy has been primarily reactive, with little threat analysis or contingency planning. Defensive measures have rarely been taken until after the enemy has initiated action. [REDACTED] measures to defend against Silkworm attacks, for example, were undertaken in earnest only last October after eight attacks in 1987. These efforts came too late to prevent serious damage to the vital

Sea Island terminal in late October, but they appear to have prevented additional damage to the terminal during a subsequent attack in December. [REDACTED]

The Defense Ministry suffers from inexperience and bureaucratic inertia and generally plays a secondary role in formulating Kuwait's security policy. Kuwait's economic interests often govern the decisionmaking process. Kuwait Petroleum Corporation and its subsidiaries, including the Kuwait Oil Tanker Company, have the economic incentive and management experience to identify threats to Kuwaiti interests, analyze possible solutions, and swiftly implement actions to reduce potential dangers. The tanker company, rather than the military, proposed the US reflagging scheme and constructed the radar reflector barges—Kuwait's most successful Silkworm defense system. [REDACTED]

The Defense Ministry's ineffectiveness during the repeated Silkworm attacks last fall led to increased domestic criticism, according to the US Embassy, and probably contributed to the switching of the Ministers of Defense and Interior in January. These developments have forced the military to begin to take a more active role in defending against additional Silkworm attacks. [REDACTED]

Meager Capabilities. Kuwait recognizes the limited capabilities of its military forces and harbors no illusions about its ability to defend against external attack. Kuwait's armed forces suffer from inadequate training, aging equipment, and low morale. Despite its poor capabilities, the Army has deployed forces to northern Kuwait at least three times over the past two years to guard against Iranian aggression. In addition, the Air Force, Navy, Coast Guard, and air defense units have fired at perceived hostile targets, [REDACTED]

The Army, Kuwait's largest military service, is inefficiently deployed to defend against a sudden ground attack. Organized into two armored brigades, a mechanized infantry brigade, and supporting units, the Army is stationed to defend the three approaches to Kuwait City. The 6th Brigade, a unit in transition

25X1

25X1

25X1

25X1

25X1

25X1

25X1
25X1

25X1
25X1

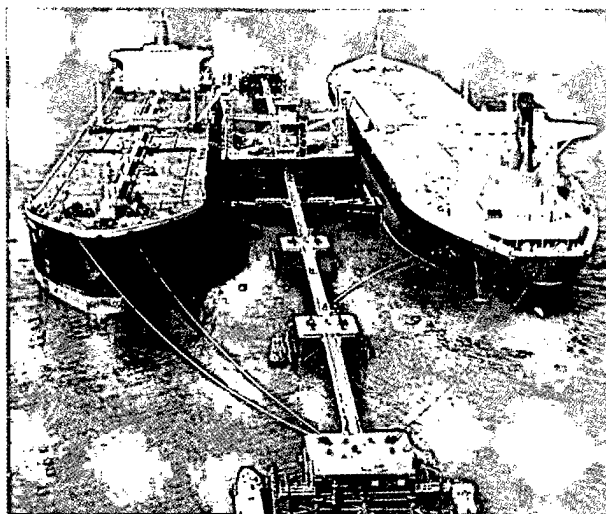


Figure 3. Sea Island oil platform

from regular infantry to mechanized infantry, is the vanguard responsible for protecting Kuwait from its most likely adversaries—Iran or Iraq. The more powerful armored brigades are stationed well away from the potential invasion routes.

The Army suffers from numerous problems, including poor logistics, outmoded equipment, infrequent training, and insufficient manpower. For example, the 35th Armored Brigade can muster only half of its authorized strength, enough to crew only 15 to 20 of its 78 tanks.

We believe similar manning problems are present throughout the Army and may be worse in its combat support units.

Kuwait's Air Force is one of the most active on the Arabian Peninsula, providing daily combat air patrols in addition to frequent training flights. The Air Force has two US-supplied A-4 squadrons to provide the bulk of its strike capability with cluster, laser-guided, and free-fall bombs. Two Mirage F1 squadrons contain Kuwait's primary interceptors. Kuwait's air defense units belong to the Air Force. When on alert because of an increased Iranian threat, the Air Force has shown the capability to sustain frequent sorties. Nevertheless, it would be hard pressed to defend against a surprise Iranian airstrike.

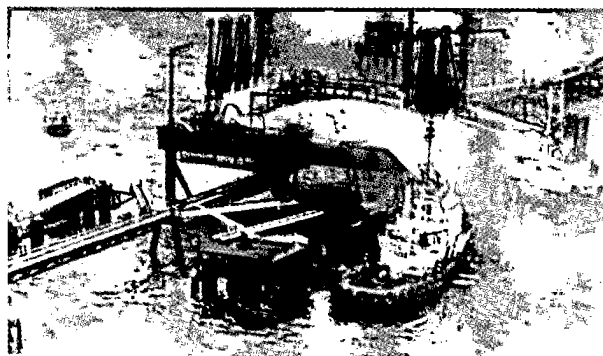


Figure 4. Sea Island oil platform after attack

The fledgling eight-ship, 750-man Navy is the smallest and most inexperienced of Kuwait's military services, but it is rapidly gaining importance within the Ministry of Defense. The US Embassy reports that Iran's mining of the Mina al Ahmadi channel and its attempted attack on the joint Kuwaiti-Saudi Hut 1 and Al Khafji offshore oilfields last year forced the Navy to assume a more important security role. We believe the Navy is becoming as aggressive as the air defense units in engaging unidentified targets in Kuwaiti waters.

Kuwait's internal security forces—the National Guard and Ministry of Interior—also play an important defense role. They are responsible for preventing terrorism, controlling the dissident Shia population, and protecting vital industrial facilities. Bureaucratic infighting following several terrorist bombings of petroleum facilities last year has led to confusion over which organizations are responsible for protecting key targets. We believe the role of guarding oil facilities is assigned to whichever security force has personnel available, including the Kuwait Petroleum Company's own security guards.

Since the attempt on the life of the Amir in 1985, the Guard has been trying to modernize its 3,000-man force and increase its internal security capabilities.

Page Denied

Defending Against the Silkworms: A Case Study

Following three Iranian Silkworm missile attacks last October, which damaged two oil tankers and the vital Sea Island export terminal, Kuwait implemented a multitrack policy to discourage additional attacks, improve its defenses, and limit damage from future missile attacks. Kuwait's initial response was to seek diplomatic support in condemning Iran. Although Kuwait decided against formally raising the issue at the UN Security Council, it sought international condemnation of Iran from the Gulf Cooperation Council, Arab League, and individual members of the UN Security Council. The government-controlled Kuwaiti press was quick to charge Iran with responsibility for the attacks.

Kuwait directly confronted Iran by threatening to break diplomatic relations if the attacks continued. Kuwait had already ordered a reduction in the size of the Iranian diplomatic presence because of earlier Iranian attacks. Kuwait issued a strongly worded protest to the Iranians, promising to "reconsider its entire relationship" with Tehran if the attacks persisted, according to the US Embassy.

In addition to its diplomatic efforts, Kuwait quickly sought to increase its defenses against missile attacks. I-HAWK, SA-8, and SA-14 surface-to-air missiles as well as antiaircraft artillery were moved to Faylakah Island—directly under the Silkworm's flightpath. In addition, SA-14 missiles were deployed on Bubiyan Island for the first time. Kuwaiti leaders called in Egyptian advisers to conduct a survey of Kuwait's air defense forces. Moreover, Kuwait began talks with the United States and France about weaponry capable of shooting down the Silkworms.

Kuwait further improved its defenses by installing at least 19 radar reflector barges to serve as decoys for incoming missiles. Built with US assistance and positioned around key facilities, the barges have been successful in confusing the Silkworms. For example, a deflector successfully diverted a Silkworm missile launched at the Sea Island terminal last December, just seven days after the facility was reopened following a previous Silkworm attack.

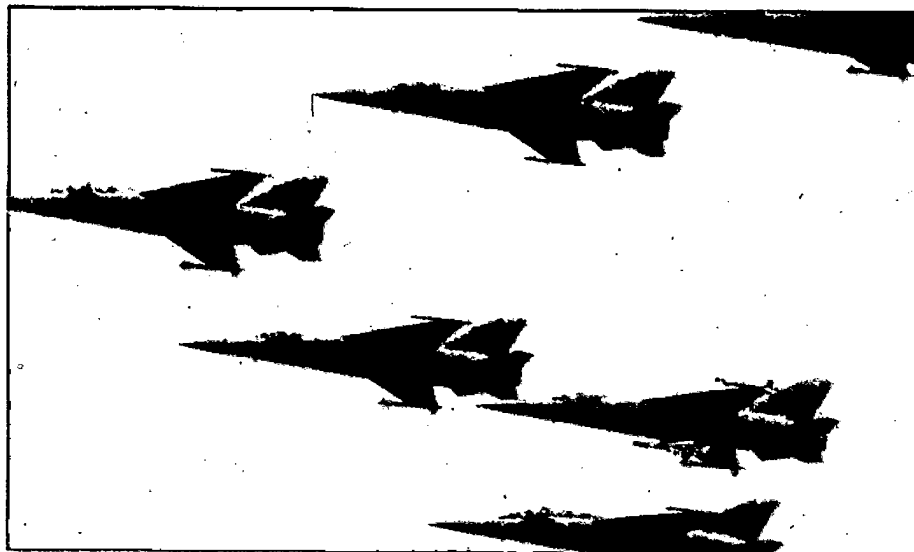
Kuwait: Major Military Equipment Holdings

	Total
Army	
Main battle tanks	275
Armored personnel carriers	250
Armored cars	205
Self-propelled artillery	57
Towed artillery	16
FROG launchers	12
Mortars	346
Antitank missile launchers	214
Navy	
Missile attack craft	8
Patrol boats (Coast Guard)	25
Landing craft	10
Air Force	
Mirage F-1 fighters	22
A-4 fighter-bombers	31
Trainer aircraft	21
Transport aircraft	6
Attack helicopters	10
Transport helicopters	31
Air defense artillery	177
SA-7 and SA-14 antiaircraft missiles	4,200-4,400
I-HAWK antiaircraft missile launchers	27
SA-8 antiaircraft missile launchers	12

the National Guard will assume responsibility for key facilities when it becomes fully trained on its recently purchased armored vehicles.

The Guard has long-term plans to establish a comprehensive security system to protect Kuwait's industrial centers, refineries, and ports. The system—which would include motion detectors, infrared sensors, and video cameras—will almost certainly not be operational before the early 1990s. Despite the upgraded equipment, we believe the poorly educated and motivated Guard troops will be only marginally effective.

Figure 6. A formation of
Kuwaiti F-1 aircraft



25X1

The Ministry of Interior controls several security units charged with border and coastal patrol, civil defense, riot control, and counterterrorism. The Coast Guard has been the most active of these, aggressively patrolling Kuwait's territorial waters to interdict Iranian small boats. According to the US Embassy, the Ministry's Assault Force is a highly motivated and well-trained counterterrorist force that is expected to perform well during a terrorist attack.

We believe Kuwaiti military purchases over the next few years will be spread among several suppliers. Although the current relatively close Kuwaiti-US security relationship was the catalyst behind its recent request for 40 F-16 fighters and 200 M-1 tanks, we believe Kuwait sees the request as a major test of US support for Kuwait. In our opinion, Kuwait will not abandon its traditional desire to avoid becoming dependent on a single supplier and will look to nontraditional arms suppliers—such as Brazil, China, Egypt, or the East European countries—for basic military equipment. Increasingly, these nontraditional suppliers will compete with the United States and Western Europe for major purchases, such as armored vehicles. Kuwait may also believe it necessary to balance large US arms purchases with Soviet purchases.

25X1

25X1

25X1

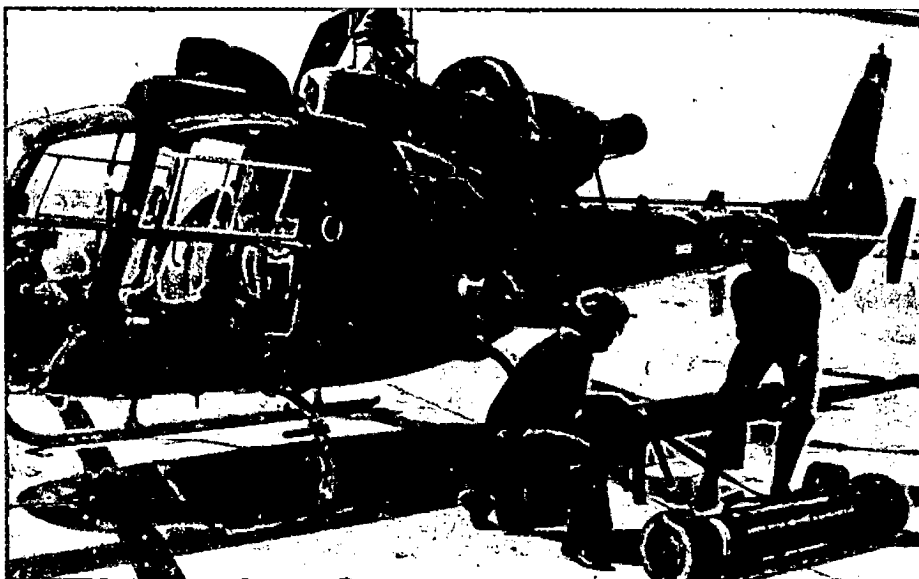
Future Arms Purchases. We estimate the military is interested in purchasing at least \$2.5 billion worth of major new weapon systems over the next few years, including advanced fighters, tanks, infantry fighting vehicles, and minesweepers. These expenditures would be in addition to the nearly \$1.5 billion annually spent on its security forces. Falling oil revenues, however, make it unlikely that Kuwait will acquire sufficient new military hardware to meet future threats. Kuwait's revenues have plummeted nearly 60 percent over the past seven years—a trend we believe will continue into the early 1990s—reducing its ability to purchase major new weapons. Nevertheless, if Kuwait believes its security depends on acquiring additional modern equipment, we believe its financial reserves are adequate to provide financing for any weapon systems necessary.

Prospects

We do not believe recent shifts in Kuwaiti foreign policy reflect a lasting change, and a cessation of Iranian aggression or a cease-fire along the lines of the current stalemate could bring about a return to Kuwait's preference for a nonaligned foreign policy and its support for a reduced superpower presence in the region. Kuwait's relationship with the Soviet Union will continue to be governed by conflicting

25X1

Figure 7. Gazelle attack helicopter being loaded with HOT missiles [redacted]



25X1

concerns. Kuwait will not let its ties to Moscow become so strong that it loses independence in its actions, nor so weak that it weakens the bargaining position it believes it has with the United States. Reports of Kuwaiti interest in advanced weapons from Moscow suggest that it may be laying the groundwork for significant purchases in the 1990s. Kuwait, however, is reluctant to permit significant numbers of Soviet advisers into the country and will try to limit the number of advisers that must accompany any arms purchases. [redacted]

Kuwaiti leaders might try to play down the extent of their support for Iraq if Iran undertakes a sustained and effective campaign of terrorism and subversion coupled with periodic military strikes threatening Kuwait's oil production. Kuwaiti leaders might restrict the amount of arms transshipped to Iraq through Kuwaiti territory and perhaps try to place conditions on Iraqi use of Kuwaiti airspace, which Baghdad almost certainly would ignore. Kuwait is unlikely to reduce its support for Iraq in any meaningful way, believing that Iraq is the key defense against Iranian expansionism. [redacted]

We believe that Iraq will refrain from seizing Bubiyan and Warbah islands after the Iran-Iraq war because of the political costs. Baghdad realizes it will need allies in the Gulf to help rebuild its crippled

economy and to counter Iran if hostilities are renewed. Moreover, the other Gulf states probably would suspend aid to Baghdad if it seriously threatened Kuwait. Nevertheless, Baghdad is likely to renew its longtime territorial claims periodically to remind Kuwait that Iraq is still a force to be reckoned with. [redacted]

25X1

We believe Kuwait's military will not improve sufficiently to be able to defend the country against either external or internal threats over the next several years because of manpower shortages, poor training, and old equipment. Even with large purchases of military equipment, Kuwait's military capabilities will improve only marginally. Without these improvements Kuwait will almost certainly continue to rely on strengthening alliances with key allies, checkbook diplomacy, and appeasement of its major antagonists. [redacted]

25X1

25X1

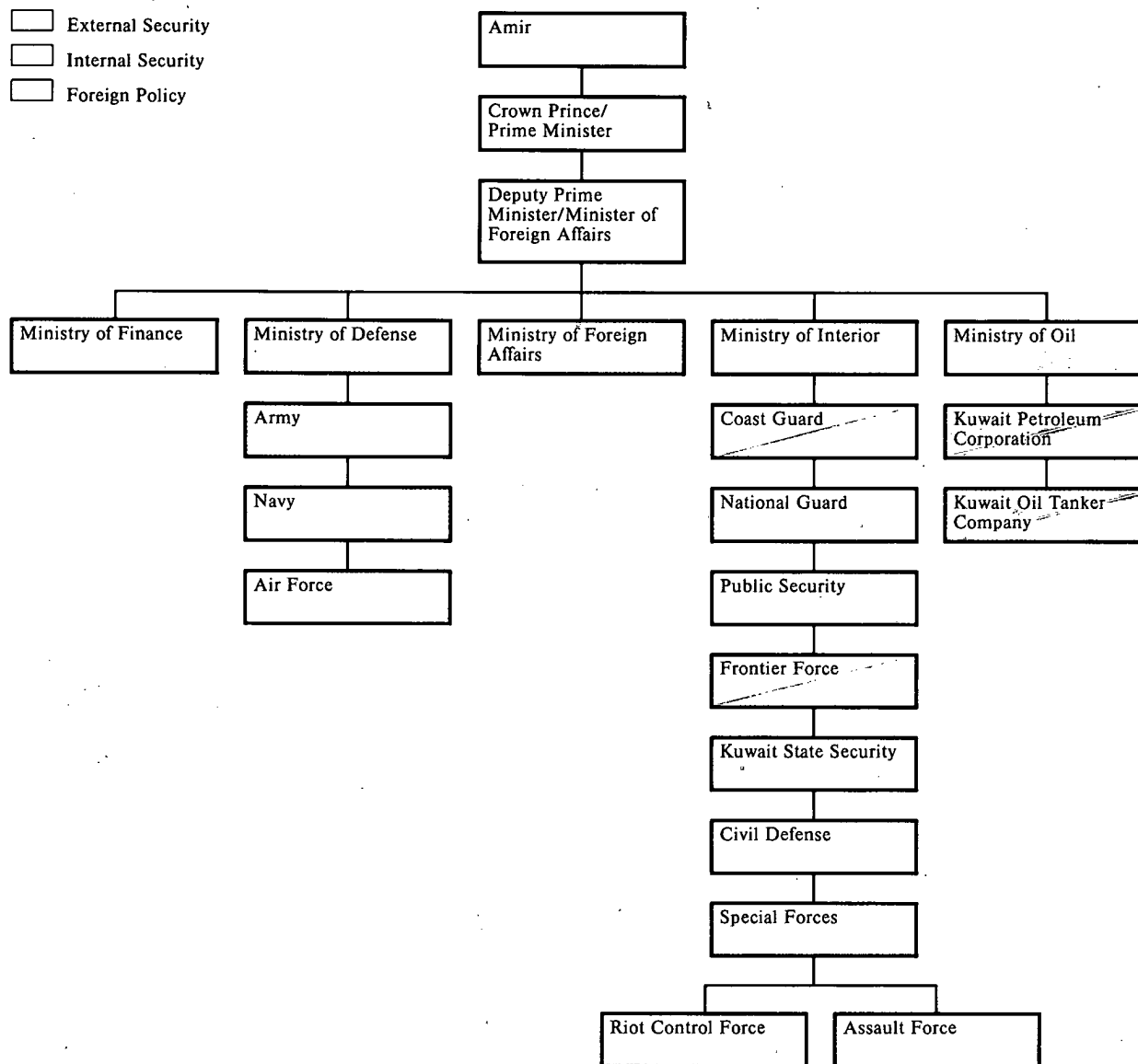
Implications for the United States

As long as the Iranian threat remains high, cooperation with the United States will continue and, if tensions rise, probably expand. Kuwait appears to have been satisfied with Washington's response to pleas for assistance over the past year. Kuwait's belief that the United States is its ultimate security guarantor will ensure future cooperation. [redacted]

25X1

25X1

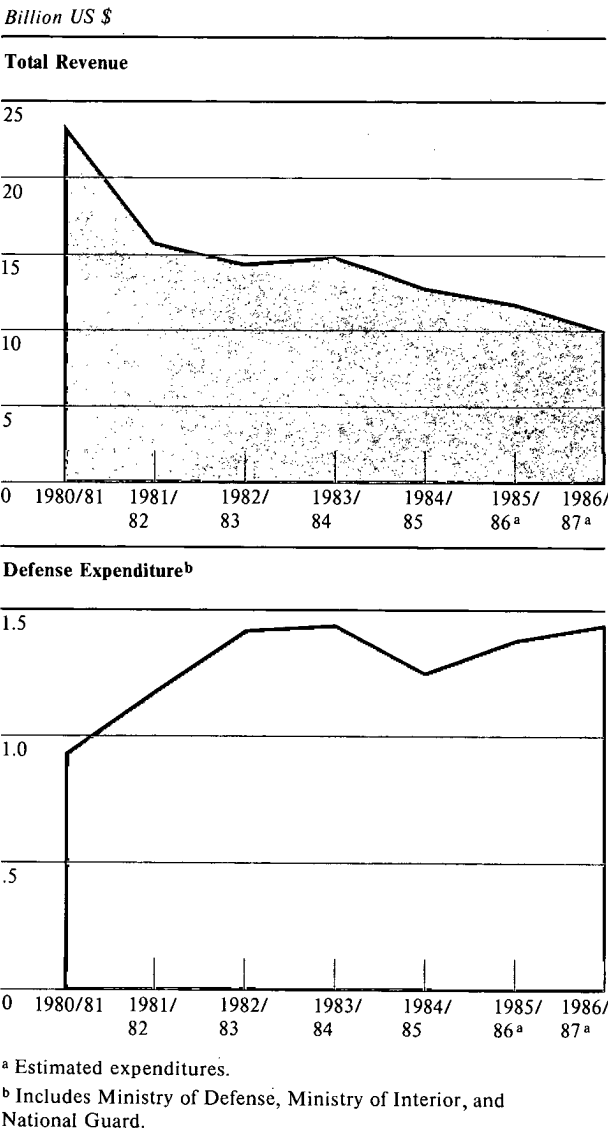
Figure 8
Responsibilities of Kuwait's National Security Organizations



O-55-1/316752 4-88

25X1

Figure 9
Kuwait: Defense Expenditures, 1980-87



Despite recent understanding and cooperation with the United States, we believe Kuwait will ultimately try to avoid a close public alignment with US policies in the region. Discretion and secrecy will be fundamental conditions for Kuwaiti support, precluding highly visible security arrangements with the United States. Kuwaiti leaders want to preserve the appearance of independence from US policy and, in our view, will seize opportunities to demonstrate autonomy from US policies even during periods of heightened Iranian aggression. [redacted]

25X1

A significant reduction in tension with Iran would probably result in a parallel cooling of the security relationship with the United States, although it probably would not sink to the low level of the early 1980s. The recent operational support provided by Washington has eased suspicions of US intentions and would set the standard for security cooperation after tension with Iran eases. Over the long term, Kuwaiti leaders probably are concerned that unresolved territorial disputes will lead to a confrontation with Iraq and hope that cooperation with Washington will be useful in countering pressure from Baghdad. Nonetheless, weapons sales almost certainly will return as a litmus test for measuring Washington's commitment to Kuwait's security. [redacted]

25X1

US participation in the tanker reflagging and escort plan has enhanced Washington's image throughout the Arab Gulf states as a reliable partner in ensuring the security of the Gulf. Even though the US position remains fragile, other GCC members are now more likely to seek US military assistance and rely on the United States in a crisis. Despite the risks, this provides the United States new opportunities to build a lasting security relationship with the Gulf Arabs. [redacted]

25X1

25X1

Page Denied

Next 6 Page(s) In Document Denied

25X1

25X1

25X1

25X1

Secret

Secret